



DEPARTMENT OF STATE

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TC: INTERIOR/OSN - Mr. Wilson  
FROM: STATE/EA/RA - John C. Dorrance  
SUBJECT: Micronesian Future Political Status

I find the "Micronesian Connection" too fascinating to pass up the opportunity of commenting on Lindsey Grant's October 27 memorandum.

The Independence Issue -- With some exceptions I enthusiastically endorse the content and thrust of Lindsey's comments and suggestions -- in particular his eloquent statement of the need to surface an independence option. I share his views not only on the questionable morality of denying to the Micronesians a principle our country was founded upon, but also on the fact that we have no real alternative.

I would give emphasis to one point that Lindsey has made -- and which I attempted to drive home for two years from Saipan. Until the Micronesian leadership (especially that in the Congress) has a clear idea of what independence means, the present confusion over status goals will continue ad infinitum/ad nauseum. Quite logically many leaders are reluctant to opt firmly for free association (or any other form of status) so long as they remain uncertain that they cannot have independence and most of the benefits of free association (i.e. US financing and services) at one and the same time. And many of those who presently favor independence do so because they are convinced this in fact is the case. Their reasoning is based on the logic that our strategic requirements in Micronesia provide a lever that will assure adequate financing under any form of status -- including independence.

There should perhaps be elaboration of one point in connection with the independence issue within Micronesia. There is understandable confusion over the US position on independence. But there is even greater confusion over what Micronesians mean when they talk of independence. In very few instances that I am aware of does Micronesian

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independence mean anything like national independence as that term is applied elsewhere. Among those leaders who are active in the independence movement, there is still wide acceptance of Micronesia's dependence on the US and the need to strike a balance between Micronesian and US requirements in order to assure adequate US support. Most Micronesian leaders have felt that this can best be accomplished through free association -- but those favoring independence believe that Micronesian requirements can be satisfied through looser arrangements. A further and vital element of the independence movement is pride -- coupled with emotion, and the belief that means must be found to "equalize" relationships between Micronesia and the US through such devices as (a) recognition of Micronesia's sovereignty; and (b) basing future American-Micronesian relationships on a treaty rather than a compact.

Expressed in practical terms, most leaders advocating Micronesian independence visualize that an independent Micronesian state would immediately enter into a treaty relationship with the US much along the lines of that which exists between Western Samoa and New Zealand. Basic differences would be the level of US financing, and probably a Micronesian willingness to concede to the US a far greater role in Micronesian foreign and defense affairs than New Zealand has sought vis-a-vis Western Samoa.

Moving from the above to another point made by Lindsey (first paragraph on page one of his memo), I am more optimistic about the basic ultimate viability and acceptability of the free association option than is Lindsey. If we handle the various options correctly, I believe we can still assume Micronesian Congressional endorsement and active support for that option. The absence of cohesive support for the free association concept in Ponape flowed, in my view, from the following factors.

- a) Too many uncertainties remained with respect to the partial draft compact surfaced in Ponape.
- b) The fence sitters will remain on the fence and waiver back and forth so long as the independence advocates can continue to define unilaterally what independence means (i.e., in the absence of any clearly defined independence conditions being spelled out by the US -- particularly with respect to financing).



c) Many of those who have favored free association are beginning to waiver for precisely the same reasons -- "maybe Micronesia can, after all, have its cake and eat it too."

d) Many of those favoring free association see no harm in permitting things to continue along the present track as a means of wresting additional concessions from us at the negotiating table.

In the above circumstances, there is strong reason to believe that, once the options are spelled out, the Congress will divide along fairly clear lines with a strong majority opting for and actively endorsing free association. But this applies only if our tactics are such as not to antagonize our friends and the fence sitters in the process. More on that below.

Detailing the Independence Option -- Lindsey's scenario calls for placing major conditions on Micronesian independence; explicit Micronesian acceptance of a denial provision, and of acceptance of US base rights on Kwajelein. My concern here is that, if these conditions are stated precisely as such, the surfacing of an independence option could be self-defeating. If nothing else, we have discovered through the negotiating process that Micronesian pride and sensitivities often result in emotionalized attachment to principles, and avoidance of practical issues. A conditional offer of independence could result in a bizarre situation in which the issue within Micronesia, and between Micronesia and us, would no longer be the terms of free association, but rather the right of Micronesia to choose, if it wishes, unfettered independence. (Undoubtedly the UN would have something to say about this, but I am less concerned about that body.)

Further, an explicit establishment of conditions would provide the Micronesians with precisely the lever they need to seek a continuing high-level of subsidy. Whatever we might say about no financial subsidies, we would not be believed, and the independence advocates would argue in Micronesia that the US can be made to pay for these "concessions" to the US.

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We should bear in mind that the attachment of conditions to independence would do damage with respect to the moderates and the fence sitters -- their attention and emotions would be diverted to the principle that Micronesia has a right to unfettered independence, even though it may not opt for that course. They would be hard put to do anything but support their independence-minded colleagues on that score.

Perhaps we are confusing the purposes of surfacing an independence option. If we are now prepared to consider Micronesian independence on its own merits, and are prepared to negotiate or otherwise work toward that end, then a conditioned offer of independence is correct. But it is another thing altogether to surface independence solely for the purpose of assuring widespread support for free association by killing the independence movement. If the latter be our course, a conditioned independence option, as stated above, could be self-defeating by: (a) serving to emotionalize and confuse the issues at hand; and (b) appearing (at least to many Micronesian leaders) to offer financial levers on the US.

An unfettered independence option does, at least theoretically, leave the problem of assuring denial and Kwajelein base rights. But I operate under the assumption that there is no doubt whatsoever that the Micronesian leadership would opt for free association (and therefore our requirements) if faced with the alternative of unfettered and unfinanced independence. Admittedly several points remain unanswered by my logic.

1) The Micronesians may correctly assume that, even with unfettered independence, we will wish to retain Kwajelein. They will therefore press hard to utilize this as a lever to attach their own conditions to a US presence with independence. In response to such efforts we would simply state that we would like to have continued access to Kwajelein, but only through a straight forward base lease arrangement. A low-key approach by us would assure continued access (and at lower cost) even should the Micronesians opt for independence -- the Marshallese are not about to permit closing down of their bread and butter supply to satisfy Trukese principles. The hint (conveyed mainly through a relaxed stance) that we are not prepared to pay any price would be an useful and long overdue jolt to the Micronesians in general, and the Marshallese in particular.

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2) The denial requirement can and should, in my view, be implicit rather than explicit in order to minimize "blackmailing" activities on the part of the Micronesians. (We can of course state that Micronesia's strategic character remains unchanged -- no matter what the political character of Micronesia.) As a practical matter, I see no major problems. I cannot believe that the Trukese (or any other Micronesians) would tolerate a Chinese or Soviet presence while opposing or only reluctantly accepting a US presence. If all of my assumptions are wrong, and Micronesia did indeed opt for independence, Micronesia would in any event enter into negotiations with the US for a treaty relationship which would permit us to require a denial provision in return for such favors as we may then be prepared to bestow. The shoe would then be on the other foot and they would be forced to offer concessions for aid and services.

3) Nothing is said of the Palau options in Lindsey's memo. But much the above reasoning also applies to them. In point of fact, I have always felt that the options tactic makes little sense. We have provided a bargaining lever to the Micronesians, but with no real assurance of tangible benefits for us. We can be made to pay through the nose for the options, but with no practical guarantee that we could in fact exercise them. Whether we can obtain land leases in Palau at anytime in the future will depend not so much on our Compact and its annexes, but rather on the Palauan mood. If they are then prepared to accept US bases, they will negotiate in good faith at the time we attempt to exercise the option. If not, they can demand unacceptable compensation and other conditions for actual leases -- and then stick to those conditions.

A Letter or a Meeting? -- I agree with Lindsey's recommendation for a public letter rather than a meeting prior to the convening of the next session of the Congress of Micronesia. But I disagree with the suggestion that we move at this time, via the letter, toward bypassing the Congress.

The suggestion that we offer detailed options (i.e., conditional independence on our terms and free association on our terms) and an act of self-determination based on those options assumes that we can have our way with the Micronesians



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people by bypassing the Congress of Micronesia. While there is a better than even chance that the Micronesian people (and most leaders) would reject independence in these circumstances, this nevertheless remains the "high-risk" course which could conceivably lead to a vote for independence. I have already spelled out the problems attached to a conditioned offer of independence. But there are other considerations. In any shouting match over what independence really means, the Micronesian leaders can and will outlie and outshout us -- if only because of linguistic and cultural barriers. And we will be "outbelieved." I remain convinced (and this is borne out by past electoral and other events) that the majority of Micronesians will follow the guidance of their elected leaders rather than us. And there is the real danger that the independence movement in the Congress could gain majority support if: (a) our independence option is not credible in Micronesian leadership eyes (in terms of the denial of future financing given our conditions); and, (b) sufficient of the fence sitters and others are antagonized by the character of our offer and the tactic of bypassing the Congress. Even should we win such a contest of wills, we would then be faced with negotiating the details of status with the leaders we had antagonized, and of dealing with a government made up of the same leaders.

In my view, the letter should do three things: (1) spell out an unconditional and unfinanced independence option which all Micronesians can clearly understand; (2) outline in broad terms the free association arrangements we have been negotiating toward (and include a financial statement of intent); and (3) offer to commence negotiations again on free association as soon as possible in the new year. We will have responded to S.J.R. 117. We will have for the most part buried speculation on what independence means to Micronesia. And we will thus have finally forced Micronesia's leadership to make a choice between independence and a negotiated free association option. At the next round of negotiations the Micronesians will be concerned primarily with working out the best possible free association arrangement. For the first time we will be dealing from a real position of strength -- the independence club will be in our hands rather than in theirs. When the status committee attempts to set unacceptable conditions, we can insist on our terms and note the alternative open to them.

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If this tactic does not work, nothing has been lost -- we would still have open to us the possibility of going Lindsey's route of an unilaterally offered act of self-determination.

The Nature of "Unfinanced Independence" -- Any independence option, to achieve its purposes, must be not only bleak, but also credible. In this sense, we cannot suggest to the Micronesians that independence would mean a total cutoff of all assistance and of all services. Aside from the highly questionable morality of such a stance, we simply would not be believed given our performance elsewhere with independent states which have lesser claims on our generosity and our resources (e.g. the rather large Peace Corps programs in Western Samoa and Tonga, and various AID programs throughout minor remote countries in Africa). But our "unfinanced" independence offer should clearly specify termination of budget grants and domestic federal services and programs, while at the same time (for the sake of credibility) it should state that we would be prepared to consider requests, against other priorities and our limited AID resources, for some assistance with respect to specific developmental projects. We could also hold out the possibility of continuation of a much-reduced Peace Corps program.

For maximum effectiveness, we should specify the total dollar limit of such assistance and programs in a manner comparable to that which would be provided under a free association arrangement.

The District Option -- For much the same reasons I oppose surfacing of this possibility now. It should be our "hole" card if all else fails. Surfacing it at this time could further confuse and emotionalize the status issue while also antagonizing our friends and the fence sitters. The reaction thus could be self-defeating.

Beyond the above, I am concerned that at any time a district option would backfire and leave us with the rather useless districts of Ponape and Yap, and loss of the key districts of Palau and the Marshalls plus Truk. For reasons I need not elaborate here, there is a distinct possibility that in any district option the Palauans would opt for independence -- particularly if they felt that such an option

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would permit them to reserve to themselves all monies from Palauan land options. (This assumes we will hold out for such options.) (Conversely, dropping of the Palau options could be one of the most effective means of turning the Palauans toward a Micronesian entity, i.e. the removal of the one asset which could make Palauan independence a viable choice.)

The same problem exists in the Marshalls. Much of the key leadership (i.e., Senator Amata Kabua and his crowd) is already strongly inclined toward separate status, and increasingly leans to Marshallese independence -- on the assumption that Kwajelein base arrangements could provide the financial means to an independent Marshallese state.

In short, a district option could make any independence option more attractive to the key districts of Palau and the Marshalls -- the only districts with any "financial assets" are reluctant to share their limited wealth.

The Marianas Negotiations -- I concur with Lindsey's view and recommendations.

CC: EA - Mr. Hummel  
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